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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation.

MINISTRY OF FOREIGN TRADE AND SUPPLY

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 14th August 1969.

SUBJECT :—*Licensing conditions applicable to licences issued under the £ 0.5 Million allocation for NSIC under UK/India Capital Investment Loan 1968.*

No. 135-ITC(PN)/69.—The terms and conditions governing the issuance of import licences against the £ 0.5 Million allocation for NSIC under UK/India Capital Investment Loan, 1968 as given in Appendix to this Public Notice are notified for information of the Trade.

APPENDIX

Schedule of conditions applicable to licences issued under the £ 0.5 Million allocation for NSIC under the UK/India Capital Investment Loan 1968

Each import licence number will contain a suffix "NSIC(68)".

2. The import licence number with the above-mentioned suffix should be indicated by the importer/supplier on all contracts, invoices and/or contract certificates referring to goods to be imported under the licence.

3. No remittance of foreign exchange is permitted against this import licence except U.K. bank charges which may be remitted through ordinary banking channels. Any payment towards Indian Agent's Commission should be made in Indian rupees to the agents in India. Such payments, however, will form part of the licence value and will therefore, be charged to the licence.

4. The licence will be issued with an initial validity period of three months. Firm orders, on CIF or C & F basis, must be placed on the suppliers in UK (which expression includes the Channel Islands and the Isle of Man) within three months from the date of issue of the import licence. After firm orders are placed the licence may be submitted to the licence issuing authority for appropriate re-validation to cover shipments, with documentary proof of firm orders having been placed and showing the contractual date(s) of shipment(s). If orders cannot be placed within three months, the licence should be submitted for revalidation during the fourth month giving the reasons for the delay in placing orders and indicating the date by which orders would be placed. Such requests will be considered on merits by the CCI&E in consultation with the Ministry of Finance (Department of Economic Affairs), where necessary.

5. All payments must be completed within a month of the expiry of the licence. Individual payments must be arranged upon shipment of goods. No credit facility of any kind will be permitted.

6. *Special points to be incorporated in the orders/contracts.*

(i) *Origin of goods.*—The licensee must ensure, by incorporating appropriate provisions in the orders/contracts that the goods purchased are or will be wholly produced or manufactured in the U.K. When the contract also provides for works and services, in connection with the purchase of goods it must similarly be ensured that such works and services are or will be provided by persons ordinarily resident or carrying on business in the U.K.

(ii) *Payments.*—Payments to the U.K. suppliers can be arranged only in the manner prescribed in para 7 below and on production of documents specified in para 8; this payment and documentation procedure should be briefly incorporated in the contract.

(iii) It should be provided in the contract that the supplier should indicate the complete licence No. including suffix "NSIC(68)" in the contract invoice, contract certificate and Payment certificates.

NOTE :—If, in any case contract is placed on the Indian Agent of the foreign supplier, the contract with the Agent should indicate the name and address of the UK supplier to whom payment is to be made for the Sterling portion of the contract, which alone will qualify for payment under the Loan. Copies of such contracts (or of contracts placed by Indian Agents with UK Suppliers if there are such separate contracts) should be sent along with letters of credits as prescribed in para 8(ii) below.

7. *Payments against Import Licence—Letter of Credit procedure.*—(a) Payments to U.K. Suppliers shall be arranged by importers by opening irrevocable and confirmed *Letter of Credit* in favour of the suppliers by any of the nominated branches of the State Bank of India with one of the correspondent Banks in U.K. Such letters of Credit would provide for payments to the suppliers on submission of a certain prescribed documents (see para 8 below) and would be opened subject to the conditions that, the correspondent banks in UK would, after making payments to the beneficiaries initially out of their own funds, obtain reimbursement therefor, from the State Bank of India, London, through the Chief Accounting Officer to the High Commission of India, London.

(b) The detailed procedure for opening such Letters of Credit will be as follows:

(i) Within three weeks after obtaining suitable revalidation of I/L *vide* para 4 above the importer should apply to the Senior Accounts Officer, Economic Aid Accounts, Ministry of Finance (Department of Economic Affairs), Jeevan Deep Building, Parliament, Street, New Delhi for a letter of authorisation for opening a Commercial letter of credit. The application should be in the form in Annexure I. The application should also indicate specifically the name and address of the UK Bank with which the letter of authorisation is to be established.

(ii) If the application is found to be in order, the Ministry of Finance, Department of Economic Affairs, will issue their Authorisation for the requisite amount to the importer and the nominated branch of the State Bank of India, indicating *inter-alia*, the name of the UK Bank with whom letter of Credit in favour of UK suppliers should be opened. The Department of Economic Affairs will also advise the UK bank concerned suitably and also C.A.O., London. But this advice to the UK Bank will be sent to the Indian Bank alone with their copy of the authorisation letter, who should then transmit it to the UK Bank while opening the letter of Credit. The Letter of credit should be opened within three weeks from the date of issue of the authorisation under intimation to the Ministry of Finance failing which the authorisation shall lapse. The letter of Credit opened by the Indian Bank on the designated UK Bank against the Letter of Authorisation issued by Ministry of Finance should detail the conditions to which the licence is subject and call for the submission of all the documents detailed in para 8 below. The requests for opening letters of Credit by Indian Banks must accord completely with the authorisations for opening letters of Credit issued by the Ministry of Finance. There should be no discrepancies in any respect.

(iii) Within seven days of the receipt of advice of payment with shipping documents from the UK Bank, the nominated branch of the State Bank of India shall collect from the importer the cost of imports in rupees at the rate of Rs. 18.18 for £ 1.00 plus interest charges at 6 per cent per annum for the period from the date of payment to the UK supplier by UK Bank to the date of deposit of the rupee equivalent. The rate of exchange mentioned above is the prevailing composite rate of exchange and any change in the same will be notified as and when decided.

(iv) The amount collected from the importer, should be deposited by the bank to the credit of the Government of India in the Reserve Bank of India, New Delhi or the State Bank of India, Delhi or if it is not feasible remitted by means of Demand Draft drawn on and in favour of the State Bank of India, Tis Hazari Branch, Delhi. Thereafter, the Treasury Challan evidencing the deposit shall be sent by registered post to the Senior Accounts Officer, Ministry of Finance, Department of Economic Affairs, Economic Aid Accounts Section, Jeevan Deep Building, Parliament Street, New Delhi indicating references to and enclosing copies of the Invoice/Shipping documents and the Authorisation of that Department to which the transaction relates. The nominated branch of the State Bank of India shall also on demand by the Government of India arrange to deposit within seven days in the Reserve Bank of India, New Delhi/State Bank of India, Delhi or if it is not feasible by means of a Demand Draft Drawn on the State Bank of India, Tis Hazari Branch, Delhi, of such additional amount on account of service charges as may be demanded by the Government of India. The nominated branch of the State Bank of India shall release the shipping documents to the importer only after the deposits aforesaid are made to the Government of India.

NOTE :—Importers should also fill in, in duplicate the Form incorporated in Annexure II of the Public Notice No. 184-ITC(PN)/dated 30th August, 1963 and

present the same to their bank while arranging for rupee deposits in accordance with the procedure prescribed in the said Public Notice.

(v) The amounts including interest and service charges to be deposited to the Credit of the Government of India shall be creditable under the Head of Account "T-Sec. Deposits and Advances—Part II—Deposits—Deposits not bearing interest—C. Other deposits Accounts—Civil Deposits—Deposits for purchases abroad from UK—purchase under U.K. Loan Purchases under UK/India Capital Investment Loan 1968" and Accountant General, Central Revenues, New Delhi shall be shown as the accounts Officer who will adjust these credits.

8. *Documentation Required.*—(1) The importer is responsible to see that the UK supplier completes and submits the documents detailed in (2) below (in so far as these relate to him—See Annexure II) to the UK Bank at the time of opening of L/C and also at the time of claiming payment for the goods supplied. Each document must show the loan number, details of import Licence including suffix "NSIC(68)" and, if possible, the Ministry of Finance, Letter of Credit authorisation particulars.

(2) While opening Letters of Credits, the authorised branch of the State Bank of India, on behalf of the importer, will be required to incorporate the following conditions in the Letters of Credit or their forwarding instructions to the correspondent bank in U.K.:—

(i) attach five blank copies of the contract certificate in the prescribed form, Annexure IV Appendix C to each letter of credit.

(ii) Provide, in the letter of credit, that the beneficiary, must, within four working days after receiving the letter of credit, send four completed copies of the certificate together with two copies of the contract (or letter of credit when there is no contract) to the correspondent bank concerned in U.K.

Provide, further, in the letter of credit, that as and when goods are shipped, and payment thereof falls due, the supplier shall present to the UK Bank, the following documents:

(a) The *Original* invoice, with three photo copies or copies made by any other process.

(b) Three copies of the payment certificate in the form shown in Appendix E.

(iii) The correspondent bank should forward three copies of the contract certificate and two copies of the contract (or letter of credit) to Chief Accounting Officer, High Commission of India, (Accounts Department), 55, Jermyn Street, London-SW-1. who would then transmit same to UK Government (ODM) and obtain their acceptance of each contract for payment out of loan and advise same to correspondent banks in cases of over £ 10,000 only.

(iv) For each single contract, valued £ 10,000 or less.—The corresponding bank in UK can issue letters of Credit and advise same to beneficiaries straightaway as confirmed and irrevocable, payments being made thereafter in the usual way upon presentation of prescribed documents.

For contracts, above £ 10,000 (each), the letters of Credit to be issued on provisional basis initially with a provision to the effect that they shall become operative only subsequently on receipt of advice of ODM contract acceptance from CAO, London, vide (iii) above. Thereafter, payments can be made to suppliers in the usual way.

(v) After payments, the correspondent banks would claim reimbursement of the amounts paid by submitting payment certificates Annexure ④—Appendix E, and invoices received from suppliers from CAO, London, who would arrange payment to them through State Bank of India, London. Simultaneously, they would, send by AIR MAIL, the original negotiable sets of documents with additional sets as stipulated in the letter of Credit, along with a statement of their sterling charges to the nominated branch of the State Bank of India opening the L/C.

NOTE :—(1) If at any time a contract is amended, or if liability is incurred or is to be incurred thereunder to a greater or lesser amount than the amount specified in the contract certificate, and the necessary letter of credit is also amended consequently, such amendments, together with relevant supplementary or revised contracts (amendments), should also be processed in the same manner as the initial L/Cs.

(2) The Importers and the nominated branch of the State Bank of India should particularly note, condition (iv) above regarding contracts above £ 10,000. In all such cases contracts and Letter of Credits must contain a provision that they shall not become operative until relevant documents have been forwarded to the Ministry of Overseas Development in the UK and the CAO, London has informed the correspondent banks in the UK which are concerned that the contract to which the letter of credit relates is eligible for payment from the loan.

9. *Refunds from UK suppliers.*—If any money is received by the licensee from the UK supplier or a guarantor (insurance company etc.) as a refund or in settlement of insurance claim etc., such amounts should be arranged to be refunded by the supplier to the concerned correspondent Bank in UK (from where the payment was initially received under L/C) with instructions to refund the amount, in turn, to CAO, London for crediting the loan account. After the amount is so credited an equivalent amount in rupees (i.e., the equivalent of what the importer actually paid to Govt.) will be arranged to be refunded to the importer by the Ministry of Finance, upon receipt of claim therefor from the importer. If the refund is received after the loan is closed the same will, have to be made by the supplier direct to the importer.

As and when any such refund is received, a report thereof should also be made to the Ministry of Finance, with copy to the Ministry of Industrial Development and Company Affairs, (Deptt. of Industrial Development), Foreign Exchange Section Udyog Bhavan, New Delhi.

10. *Reports on ordering and utilisation of Licence.*—A monthly report, in the form attached Annexure III—showing the utilisation status of the licence, should be furnished to the Ministry of Finance, Department of Economic Affairs, Economic Aid Accounts Branch, New Delhi, until the licence is fully utilised with a copy to the Ministry of Industrial Development and Company Affairs, Deptt. of Industrial Development, Foreign Exchange Credit Sec., Udyog Bhavan, New Delhi.

11. *Notifying Supplier.*—The licensee should apprise the supplier if there is any special provision in the import licence which may effect the suppliers in carrying out the transaction.

12. *Disputes.*—It should be understood that the Government of India will not undertake any responsibility for disputes if any, that may arise between the licensee and the suppliers.

13. *Future Instructions.*—The Licensee shall promptly comply with any directions, instructions or orders issued by the Government regarding any and all matters arising from or pertaining to the import licence and for meeting all obligations under the credit agreement.

14. *Breach or Violation.*—Any breach or violation of conditions set forth in the above paras will result in appropriate action under the Imports & Exports (Control) Act.

15. *List of Annexures by Titles.*—Annexure I : Form of application for Letter of Credit authorisation.

Annexure II : Documents required from suppliers.

Annexure III : Monthly Report on ordering and utilisation, of I/L.

Annexure IV : Contract certificate (Appendix C).

Annexure V : Payment Certificate (Appendix E).

ANNEXURE I

Form of Application for Letter of Credit Authorisation

To

The Senior Accounts Officer,
Economic Aid Accounts Section,
Ministry of Finance,
(Department of Economic Affairs),
Jeevan Deep Building,
Parliament Street,
New Delhi.

SUBJECT:—Import of ————— from U.K. under U.K. Loan —————.
Sir,

In connection with the import of ————— from U.K. against the above U.K. Loan, we furnish the following particulars to enable you to issue us authorisation for opening a Letter of Credit through our bankers on the U.K. Bank designated by us:—

(a) Particulars of Import Licence.

No. & Date	Value (Rs.)	Date upto which valid
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(b) Sterling value of licence.
(calculated at £1 per Rs. 18).

(c) Sterling value of the orders placed for which authorisation is required specifying the name and address of the U.K. supplier/suppliers and the amount/s of authorisations required separately against each supplier (copy of orders placed and U.K. suppliers' acceptance thereof to be attached).

(d) Name of U.K. Correspondent Bank who will advise the Letter of Credit to U.K. supplier.

(e) Name and address of the Branch of the State Bank of India which will open the letter of credit.

Yours faithfully,

Authorised representative of the
licensee.
(full address to be given here).

ANNEXURE II

Documents required from Supplier

1. At the time of opening L/C.—Four completed copies of contract certificate (Annexure IV) with the two copies of contract (or L/C. where there is no contract) to the corresponding bank in UK within 4 working days after receiving L/C.

2. At the time of payment.—(i) Supplier's invoice (duly signed) original and three photo copies or copies by any other process.

A. The invoice should show the name and address of the importer, quantity and detailed description of each item supplied; sales price for each item reflecting all trade discounts the basis of delivery (FOB, C&F, CIF & FAS) of the goods, the sterling cost of any incidental services including delivery services marine or transportation insurance and the sterling cost of such insurance.

3. Evidence of shipment.—A. Bill of lading or substitute one copy (or photostat) of ocean or charter party bill of lading or airway bill or parcel post receipt. The Bill of Lading shall indicate the carrier's statement of charges in whatever currency it is paid.

4. Payment certificate in the form prescribed (Annexure V). Three copies duly signed.

5. Additional Documentation.—Such additional or substitute documentation as may be specified from time to time by the Government of India.

ANNEXURE III

Form of utilisation Report in respect of U.K. Credits.
(to be furnished separately in respect of each Licence).

1. Name of the Importing Firm.
2. Particulars of U.K. Credit.
3. No. & date of the Import Licence.
4. Value of the Import Licence.
5. Value of the complete contracting documents forwarded so far to the Ministry of Finance (Please give details of Contract Nos. & Value).
6. Value of the Contracts approved by the U.K. Government as notified by the High Commission of India.
7. Payments made to the U.K. suppliers (Up-to-date).
8. Payments yet to be made in respect of the contracts already approved.
9. Value of further orders intended to be placed on U.K. suppliers.
10. Surrenders, if any.

Signature of the authorised officer of the
Importing Firm.

APPENDIX C
ANNEXURE IV

UNITED KINGDOM/INDIA CAPITAL INVESTMENT LOAN, 1968
(NSIC ALLOCATION)

CONTRACT CERTIFICATE

Particulars of Contract.

1. Date of Contract.	Contract No.	Import Licence No. & Date	
		United Kingdom origin	Non-United Kingdom Origin
2. Description of goods, works and services to be supplied to the purchaser.			
3. Total (estimated contract price payable by purchaser.			
4. Estimated amounts, if any, paid (or to be paid) by the Contractor in respect of goods or services of non-United Kingdom origin procured (or to be procured) by the contractor for the purposes of the contract.			

- In respect of Non-United Kingdom goods and services.
- (a) goods materials.
 - (b) work to be done or services performed in purchaser's country.
 - (c) know-how.
 - (d) plans, designs and technical documentation.
 - (e) other services.

5. I hereby declare that I am employed in the United Kingdom by the contractor named below and have the authority to sign this certificate, I hereby undertake that in performance of the contract, no goods, or services which are not of United Kingdom origin will be supplied by the contractor other than those specified in paragraph 4 above.

Signed.....

Position held

For and on behalf of

(Name and address of Contractor).....

Date

NOTES.— 1. For the purpose of this declaration the United Kingdom includes the channel Islands and the Isle of Man.

2. For Chemicals & Allied Products use certificate Appendix C (Chemicals).

APPENDIX-E

ANNEXURE V

UNITED KINGDOM/INDIA CAPITAL INVESTMENT LOAN, 1968

(NSIC ALLOCATION)

PAYMENT CERTIFICATE

I hereby certify that —

- (i) the payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are to be made in respect of Contract No.....date.....
(Purchaser).....and are in accordance with the particulars of this contract notified in the contract certificate signed on behalf of the said contractor on.....

Contractor's Invoice No.	Date	Name and address of of Contractor	Amount £	Short description of goods, works and/or services
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- (ii) there are included in the above-mentioned invoices the following amounts in respect of the non-United Kingdom goods or services specified in paragraph 4 of the contract certificate.

(a)	£	(d)	£
(b)	£	(e)	£
(c)	£		

- (iii) apart from the amounts specified in paragraph (ii) all the amounts specified in paragraph (i) are payable in respect of goods and services of United Kingdom origin.

(iv) I have the authority to sign this certificate on behalf of the contractor named below.

Signed.....

Position held.....

For and on behalf of.....

Name and address of Contractor.....

.....
Date.....

NOTE.—For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isles of Man.

R. J. REBELLO,
Chief Controller of Imports and Exports.

